Government of Saskatchewan

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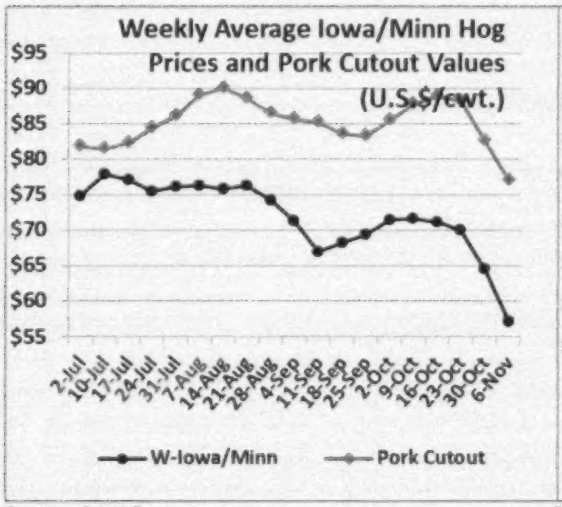
Weekly Hog Report

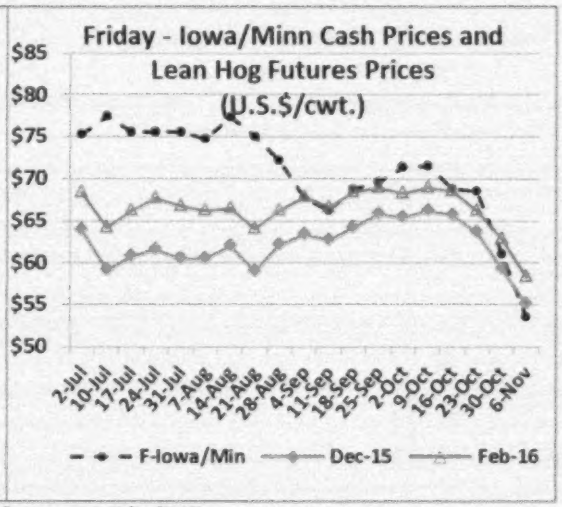
November 9, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) continued significantly lower last week from extremely large hog slaughter numbers resulting in further weakness in pork cutout values. Hog prices on Friday November 6 averaged US$53.48 per cwt, down US$7.56 per cwt or 12.4 per cent from US$61.04 per cwt the previous Friday. The negotiated base price last week averaged US$57.08 per cwt, down US$7.55 per cwt or 11.7 per cent from US$64.63 per cwt the previous week. Hog prices have traditionally moved lower in the fourth quarter from increased seasonal supplies.



Source: LMIC



Source: LMIC, CME

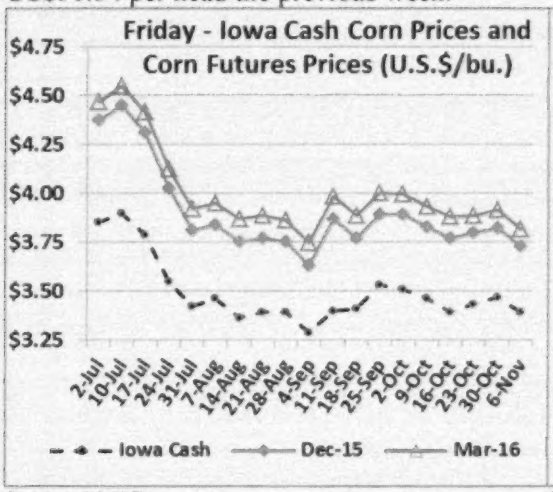
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday November 6, 2015 was $132.31 per ckg, down $19.91 per ckg or 13.1 per cent from $152.30 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $139.02 per ckg, down $19.95 per ckg or 12.5 per cent from the previous weeks' average price of $158.97 per ckg. The Canadian dollar moved lower declining 1.27 cents to close Friday at 75.21 cents; down from the previous Friday's close of 76.48 cents.

Futures Markets

United States Lean hog futures daily prices were again significantly lower last week. The nearby December contract declined US$4.200 per cwt to settle Friday at US$55.000 per cwt, while the February 2016 contract declined US$4.450 per cwt to settle Friday at.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices moved lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$35.73 per head, down US$2.31 per head from US$38.04 per head the previous week. Feeders (40lb) were US$49.56 per head, down $1.98 per head from US$51.54 per head the previous week.



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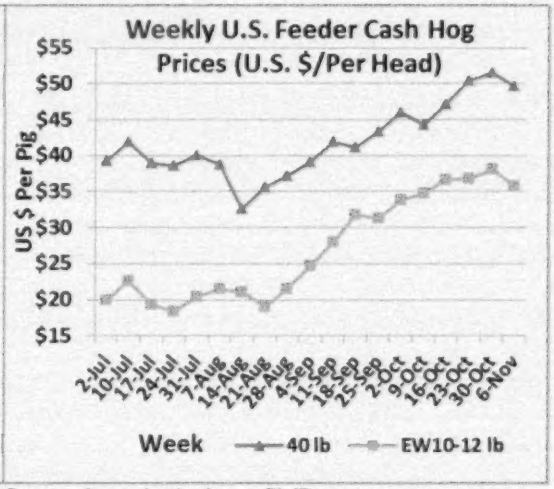


Source: Iowa Agriculture, CME

Iowa cash corn prices moved lower last week declining eight cents to settle Friday at US$3.39 per bushel. Corn futures prices also moved lower last week. The December corn futures contract declined just over nine cents over the week to settle Friday at $3.73 per bushel, while the March 2016 contract declined almost ten cents to settle Friday at $3.81¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending November 7 were estimated at 2.360 million head, up 4.7 per cent from 2.253 million head the previous week, and up 6.0 per cent from 2.227 million head the same week a year ago. This was the largest weekly hog slaughter number since December 2013. U.S. hogs slaughtered over the last four weeks ending November 7 averaged 2.314 million head per week, up 5.8 per cent from 2.187 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending October 31, 2015 were estimated at 419,371 head, down 3.0 per cent from 432,560 head the previous week, and down slightly from 419,405 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending October 31, 2015, were estimated to average 405,152 head, up 0.9 per cent from 401,603 head over the same period a year ago. Year-to-date, Canadian hogs slaughtered are estimated at 17.591 million head, up 2.6 per cent from 17.144 million head over the same period in 2014.

Meat Production

U.S. pork production for the week ending November 7, 2015 was estimated at 499.4 million lb., up 5.0 per cent from 475.4 million lb. the previous week, and up 4.5 per cent from 478.1 million lb. the same week a year ago. Pork production over the last four

week's ending November 7 was estimated to average 489.7 million lb., up 4.4 per cent from 468.9 million lb. over the same four week period a year ago. Pork production last week was the largest since December 2013, slightly higher than January 2015.

U.S. beef production for the week ending November 7 was estimated at 478.9 million lb., up 1.9 per cent from 470.1 million lb. the previous week, and up 2.0 per cent from 469.3 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 31, 2015, was estimated to average 2.084 billion lb., up 2.5 per cent from 2.034 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be up 3.7 per cent compared to the same period in 2014.

United States Weekly Meat Production

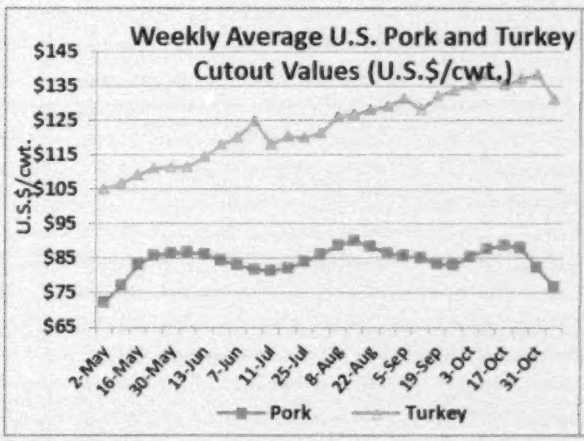
(Oct. 31) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	463.6	485.7	4.8%	7.6%
Beef	466.2	474.0	1.7%	-3.0%
Chicken	955.7	983.6	2.9%	6.3%
Turkey	148.7	140.8	-5.3%	-4.4%
Total	**2,034.1**	**2,084.0**	**2.45%**	**3.66%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending November 7, 2015 averaged US$76.91 per cwt, down US$5.67 per cwt or 6.8 per cent from US$82.55 per cwt the previous week, and down 19.8 per cent from US$95.91 per cwt from a year ago. Larger pork supplies the last few weeks have put negative pressure on pork cutout values.

Choice beef cutout prices (600-900 lb.) for the week ending November 7, 2015 averaged US$218.53 per cwt, down US$0.69 per cwt or 0.3 per cent from US$219.22 per cwt the previous week, and down 12.7 per cent from US$250.35 per cwt a year ago.



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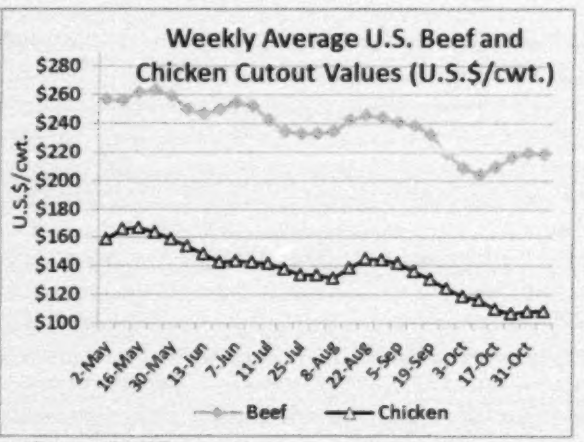


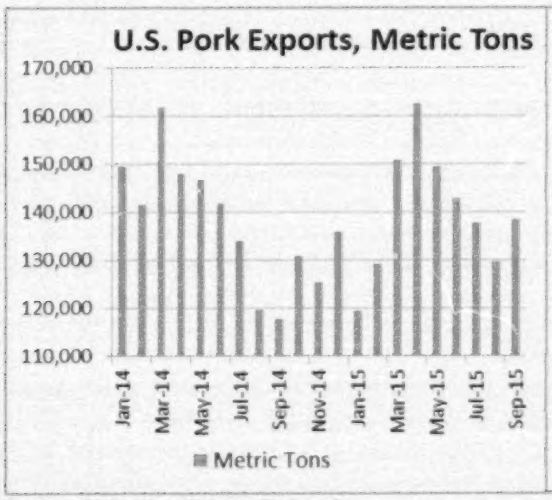
Source: LMIC

Average chicken cutout values (breast) for the week ending November 7, 2015 averaged US$107.79 per cwt, down slightly from US$107.96 per cwt the previous week, and down 27.3 per cent from US$148.29 per cwt the same week a year ago.

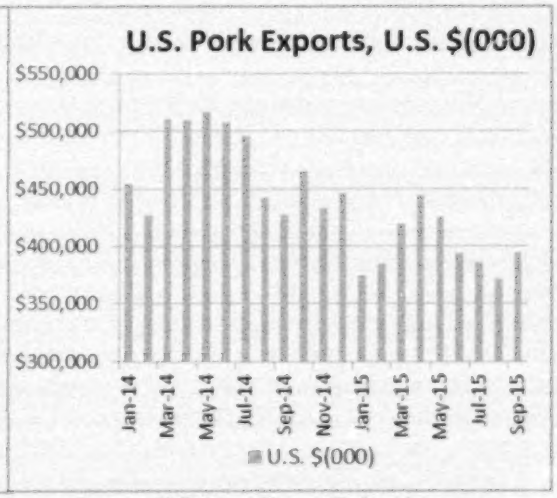
United States Pork Exports

United States exported 138,398 metric tons of pork in September 2015, up 6.7 per cent from 129,750 metric tons in August 2015, and up 17.5 per cent from 117,749 metric tons in September 2014. By dollar amount, U.S. pork exports in September 2015 were US$394.1 million, up 6.1 per cent from US$371.4 million in August 2015, but down 7.8 per cent from US$427.4 million in September 2014.

Year-to-date as of September 2015, U.S. pork exports by volume were 1,259,669 metric tons, down only slightly by volume from the same nine month period in 2014. Exports by value year-to-date September 2015 were $3,594,193, down 16.2 per cent by value compared to the same nine month period in 2014. Exports by dollar amount are lower to Japan, Mexico, China, and Canada, but still higher to South Korea. Exports to Mexico by volume are however higher (11.9 per cent), over the same nine month period in 2014. U.S. pork exports to China over the last few months (July-to-September 2015) have picked up significantly compared to the same months in 2014.
(Source: U.S. Meat Export Federation)



Source: U.S. Meat Export Federation



Source: U.S. Meat Export Federation

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca